

JOINT MINUTES  
FOURTH MEETING OF COMMISSION,  
AGREEMENT BETWEEN JAPAN AND THE REPUBLIC OF CHILE  
FOR A STRATEGIC ECONOMIC PARTNERSHIP

On 19<sup>th</sup> of October of 2017, the fourth meeting of the Commission of the Agreement between Japan and the Republic of Chile for a Strategic Economic Partnership (JCEPA) was held in Tokyo, as established in Article 189 of the Agreement.

The Commission was co-chaired, from the Japanese side by the Deputy Director General of Latin America and Caribbean Affaires Bureau of the Ministry of Foreign Affairs, Mr. Teiji Hayashi, and from the Chilean side by the Director General of International Economic Affairs (DIRECON) of the Ministry of Foreign Affairs, Ms. Paulina Nazal.

In the exchange of opening remarks, both sides coincided that it is both timely and appropriate to hold the Commission of the JCEPA, given that this year marks 10<sup>th</sup> anniversary of the JCEPA since its entry into force.

**I. Exchange of Information on Trade and Investment Policy and Related Measures**

Japan explained its recent trade and investment policy. As for the TPP meeting among 11 countries, Japan expressed its intention to closely cooperate with Chile to achieve an agreement at the forthcoming APEC Summit Meeting in Vietnam. As regards this issue, Chile underlined that the Chilean government took the initiative to hold a breakfast meeting inviting the signatory countries of the TPP in March of this year, which played an important role for the current discussion of the TPP 11.

Both sides analyzed how the JCEPA has contributed to the economy of Chile and Japan in these 10 years. The Japanese side mentioned that exports of vehicle to Chile, and imports of salmons, wines and wood chips, for example, are items with substantial increase during these 10 years. Both countries coincided in opinion on the good economic relations between Japan and Chile and the positive result of the JCEPA both in terms of trade in goods and investment.

Chile highlighted the importance of the JCEPA for Chile and commercial success brought by the JCEPA, and also mentioned its effort for further diversification of the export basket. Chile mentioned that Chile has a broad trade network with 26 commercial agreements and invited Japan to make further use of Chile as a platform, not only for the Latin America region, but also for the North America, Europe and Asian region.

## **II. Exchange of Information on current negotiations**

Both countries exchanged information on each side's current situation of on-going EPA negotiations with third countries.

## **III. JCEPA Implementation Issues**

### ● Committee on Trade in Goods

Both countries discussed the transposition process of the tariff schedule and the product-specific rules of origin. Both countries recognized the importance of the transposition of the HS code in order to facilitate private sector's daily business as well as customs procedures, and reconfirmed the intention to accelerate the transposition process.

The Chilean side proposed to hold the Committee on Trade in Goods to continue the discussion on this issue, and that both side will study and consult on it through an adequate route of communication.

Both sides discussed the Generalized System of Preferences (GSP) implemented by the Japanese government, from which Chile graduated entirely from April of this year because of its economic development. The Chilean side mentioned that the exclusion from the GSP generates large disadvantages for Chile among its competitors. During the meeting, Chile asked Japan to review the parameter for country status in the GSP, which Japan took note.

Chilean side emphasized that this year, because of the 10<sup>th</sup> anniversary of the JCEPA since its entry into force, is a good opportunity to review the JCEPA, and expressed its interest to have a discussion on a wide range of products in order to expand the possibility in terms of the market access. In this regard, Japan noted the interest of Chile and stressed the importance for both countries to achieve TPP11's swift entry into force.

With regard to the rules of origin, the Chilean side explained its policy and experience with third countries in terms of the “accumulation with non-party”. The Japanese side requested more information about this issue. In this regard, Japan and Chile exchanged contact points.

- Other Committee or Working Group

The Chilean side expressed their intention to launch a Working Group for Sanitary and Phytosanitary (SPS) in early 2018, and will send to the Japanese side its concrete subjects of interest for discussion later. The Japanese side took note of Chile’s interest on this issue.

The Chilean side expressed their interest on Technical Barriers to Trade (TBT) issues, specifically in pharmaceutical area. The Japanese side took note of Chile’s interest on this issue, and both sides coincided to make contact between the authorities.

The Japanese side expressed their interest to launch a Committee on Customs Procedures and the Chilean side accepted to have a Committee in the near future, where the Chilean side would like to also discuss electronic certificate issues.

The Chilean side also expressed its interest in a bilateral air service agreement and mentioned that Chile will send a proposal draft through the Embassy of Japan in Chile. The Japanese side committed to transmit the interest of Chile to the relevant authorities.

#### **IV. Conclusion**

Both countries shared the view on having good opportunity to assess the 10<sup>th</sup> year of entry into force of the JCEPA and confirmed to exchange the contact points of each issue.

Chile and Japan have decided to reactivate the Transposition Process for Goods and Rules of Origin list. In matters of Market Access and the possibility of an enhancement process of the JCEPA, both countries exchanged their opinions. The Japanese side repeated the importance of the TPP11 for both countries. Chile repeated the importance for both sides to take action in the bilateral agreement after the TPP11 has entered into force.

Finally, regarding the possible dates and venue for the next meeting of the Commission and Committees, both sides concurred to coordinate them through diplomatic channel.

Annex 1: List of participants.

Annex 2: Agenda of the meetings.

## List of Participants

IV Japan-Chile EPA Commission (October 19th, 2017, Tokyo)

### 【Japanese delegation】

Ministry of Foreign Affairs

Mr. Teiji HAYASHI

Deputy Director-General, Economic Affairs Bureau / Latin American and Caribbean Affairs Bureau

Mr. Shinji MINAMI

Director, South America Division, Latin American and Caribbean Affairs Bureau

Ms. Tomoko NAKADA

Deputy Director, South America Division, Latin American and Caribbean Affairs Bureau

Ms. Miwa YOSHIZAWA

Official, Economic Partnership Division, Economic Affairs Bureau

Mr. Keita MACHIMURA

Deputy Director, Economic Partnership Division, Economic Affairs Bureau

Ministry of Finance

Mr. Hideo FUKUSHIMA

Director, Office of Economic Partnership, Customs and Tariff Bureau,

Mr. Toshihiko OSAWA

Deputy Director, Office of Economic Partnership, Customs and Tariff Bureau

Mr. Hiroki HONJO

Assistant Director, Office of Economic Partnership, Customs and Tariff Bureau

Mr. Goro SUZUKI

Assistant Director, Office of Rules of Origin, Customs and Tariff Bureau

Ministry of Agriculture, Forestry, Fisheries

Ms. Noriko UESUGI

Director for International Trade Policy Negotiations, Regional Affairs Division, International Affairs Department

Mr. Naoto TAKANO

Deputy Director, International Economic Affairs Division, International Affairs Department

Mr. Makoto SAKASHITA

Deputy Director, Regional Affairs Division, International Affairs Department

Ministry of Economy Trade and Industry

Mr. Shinichi FUJIWARA

Director, Office of Latin America and Caribbean Office, Trade Policy Bureau

Mr. Norihiro KIMURA

Deputy Director, Economic Partnership Division, Trade Policy Bureau

Mr. Ayumu YAMAMOTO

【Chilean delegation】

General Direction of International Economic Affairs (DIRECON) of Ministry for Foreign Affairs

Mrs. Paulina NAZAL

Vice Minister of Commerce

Mrs. Francisca ORTEGA

Head of Asia and Oceania Department

Mr. Salvador BONILLA

Adviser of Asia and Oceania Department

Embassy of Chile in Japan

Mr. Felipe DIAZ

Embassy's Counselor

Mrs. Nury Disegni Gili

Agricultural Attaché

Mr. Mikhael Marzuqa Butto

Commercial Attaché

Agenda  
The 4<sup>th</sup> Commission on Japan – Chile Economic Partnership  
Agreement

Thursday, 19 October 2017  
Ministry of Foreign Affairs (MOFA), Japan

- ❖ Welcome and Introduction
- ❖ Adoption of Agenda
- ❖ Exchange of Trade and Investment Policy and Related Measures
- ❖ Exchange of Information on current negotiations:
  - Chile – Indonesia FTA Negotiation
  - Chile – Argentina FTA Negotiation
  - Chile – China FTA Enhancement
  - Pacific Alliance
  - RCEP
  - Japan-EU EPA Negotiation
  - Japan- Colombia EPA Negotiation
- ❖ JCEPA Implementation Issues:
  - 1. Committee on Trade in Goods:**
    - a. Transposition of Tariff Codes from HS 2002 to HS 2017
    - b. Improvement of Market Access Conditions:
      - GSP Exclusion
      - Market Access for excluded products on JCEPA
        - Products with preferential access in the TPP agreement
        - TPP non covered products

- c. Rules of Origin
  - Transposition of ROO HS2002 to HS2017
  - Accumulation with non-party
  - Exchange of contact points

➤ **2. SPS Working Group Meeting**

➤ **3. Others**

Customs Procedures

❖ Conclusion

❖ Date and Venue of the next Commission on the JCEPA

❖ Minutes of the Meeting

❖ AOB